

Message Text

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SUBJ: MAJOR EXPORT-GOK CEMENT PURCHASE

1. ON BEHALF KUWAIT PRIME MINISTER, WHO PERSONALLY INVOLVED IN MATTER, KUWAIT ASSISTANT UNDERSECRETARY FOR INDUSTRY MOHAMAD MADOO HAS ASKED FOR USG ASSISTANCE IN CONCLUDING MAJOR CEMENT PURCHASE FROM US. ACCORDING TO MADOO, WHO SHOWED EMBOFF EXCHANGE OF CABLES, GOK AND US GROUP ON VERGE CONCLUDING SALE OF 600,000 METRIC TONS CEMENT (GRADE BSS-12-1958, PORTLAND CEMENT) AT PRICE OF \$65 PER METRIC TON. THUS TOTAL VALUE OF SALE APPROXIMATELY \$40 MILLION.

2. PURCHASE BEING MADE DIRECTLY BY GOK. NOT CLEAR WHO US SUPPLIERS ARE, BUT CABLES HAVE BEEN FROM LEE WALLACE ROBERT HAGEN AND/OR JOHN NICOLSON, AND THEY HAVE BEEN USING PHILADELPHIA NATIONAL BANK (TELEX: 845355 USA) AS ADDRESS. MADOO SAID GOK READY TO CONCLUDE DEAL BUT REQUIRES FACE-TO-FACE MEETING HERE FIRST. MOREOVER, MADOO STRESSED THAT GOK NOT RPT NOT AT ALL INTERESTED IN LEARNING WHO SUPPLIER IS FOR PURPOSE OF STRIKING DEAL DIRECTLY WITH THAT FIRM. SO FAR US PARTIES INVOLVED HAVE BEEN UNABLE OR UNWILLING TO COME TO KUWAIT WITHOUT VARIOUS GUARANTEES AND THE LIKE.

3. MADOO URGED THAT EMBASSY DO WHATEVER WE COULD TO BRING HOME TO US PARTIES URGENCY OF PURCHASE. KUWAITIS EAGER TO CLOSE DEAL. BUT GOK BELIEVES IT SIMPLY CANNOT TRANSACT \$40 MILLION DEAL THROUGH TELEXES WITHOUT KNOWING MORE ABOUT US PARTIES INVOLVED AND WITHOUT WORKING OUT PRECISE DETAILS OF SALE.

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GOK BELIEVES THIS CAN BE ACCOMPLISHED ONLY THROUGH MEETINGS

HERE, FOLLOWING WHICH KUWAITIS WILLING GO TO US IF NECESSARY.
RE GUARANTEES MADOO NOTED GOK INVOLVED AND AND ASSURED EMBOFF
THAT ONCE CONTRACT AGREED UPON IT WILL MAKE APPROPRIATE
COMMITMENTS.

4. ACTION REQUESTED: COMMERCE REQUESTED CONTACTS US INDIVIDUALS
NAMED ABOVE AND DISCUSS MATTER. FROM OUR VANTAGE POINT MAGNITUDE
OF DEAL AND FACT THAT GOK ACTIVELY INTERESTED AT HIGHEST LEVELS
SHOULD BE SUFFICIENT REASON FOR US BUSINESSMEN TO COME TO
KUWAIT TO WORK OUT FINAL DETAILS OF DEAL. FYI ONE INDIVIDUAL
OF US GROUP COULD NOT COME BECAUSE OF ILLNESS IN FAMILY.
MADOO SAID PERSON OTHER THAN THOSE SIGNING CABLES WOULD BE
WELCOME, ASSUMING HE HAD NEGOTIATING AUTHORITY. END FYI.

5. COMMENT: WE HAD HEARD ABOUT CEMENT SALE FROM ANOTHER SOURCE
HERE IN ADDITION TO MADOO. IN EACH CASE WE EXPRESSED SOME SKEPTICISM
THAT QUANTITIES OF CEMENT DESIRED WERE ACTUALLY AVAILABLE,
BUT MADOO SAID US GROUP HAD ASSURED HIM THAT IT COULD DELIVER.
IN LIGHT INVOLVEMENT OF GOK, PARTICULARLY PRIME MINISTER,
BELIEVE WE SHOULD TRY TO MAKE SURE US GROUP WILL IN FACT BE
ABLE TO DELIVER QUANTITIES OF CEMENT OFFERED AT PRICE QUOTED.
IF IT CAN, IT CAN LOOK FORWARD TO ADDITIONAL BUSINESS HERE,
WE BELIEVE.
STOLTZFUS

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